

# IMPORTANT INFORMATION ABOUT YOUR WATER RATES

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# NOTICE OF PUBLIC PARTICIPATION HEARINGS FOR CALIFORNIA-AMERICAN WATER COMPANY'S REQUEST TO PURCHASE THE CITY OF BELLFLOWER MUNICIPAL WATER SYSTEM APPLICATION No. A.18-09-013

Wednesday, May 29, 2019, at 7:00 p.m.
Simms Park Auditorium
16614 Clark Avenue
Bellflower, CA 90706

The California Public Utilities Commission (CPUC) wants to hear from you. A Public Participation Hearing (PPH) has been scheduled to receive your comments about California-American Water's application (A.18-09-013) to purchase and operate the City of Bellflower Municipal Water System (Bellflower Municipal). The application was recently revised based on the CPUC decision in California American Water's 2016 General Rate Case (GRC)<sup>1</sup>.

A CPUC Administrative Law Judge (Judge) will preside at the PPH to listen to customers' concerns, comments, and opinions on the proposed application. One or more Commissioners may attend, but **no decisions will be reached at the hearing.** All public comments from the PPH will be included in the formal record of this proceeding and become public record.

<sup>&</sup>lt;sup>1</sup> The California American Water GRC A-16-07-002. Decision 18-12-021

The hearing location is wheelchair accessible. If you need a non-English language translator or special assistance, please contact the CPUC's Public Advisor's Office (PAO) at the address listed at the bottom of this notice at least five days in advance of the hearing dates. If you cannot attend a PPH, you may submit your comments via a letter or email to the PAO.

## **The Application**

On September 14, 2018, California American Water submitted Application A.18-09-013 to the CPUC requesting approval for California American Water to purchase Bellflower Municipal. California American Water is seeking to purchase Bellflower Municipal's assets, serve Bellflower Municipal's customers, and consolidate Bellflower Municipal's customers into California American Water's Los Angeles County District for operational and partial ratemaking purposes.

The average residential California American Water customer is not expected to see any rate or bill impact from the purchase of Bellflower Municipal until January 1, 2021. California American Water has requested a portion (approximately \$8 million or 46%) of the purchase price of the Bellflower system to be included in the California American Water General Office costs and recovered from all California American Water customers. If approved, this would result in an approximate 0.5% increase in 2021 to all customers of California American Water, including those in Bellflower<sup>2</sup>. For a typical residential California American Water Customer with a \$60 monthly base bill, the approximate increase would amount to 30 cents per month.

Rate changes will be addressed in future GRCs. California American Water expects to file its next GRC in July of 2019 for rates to take effect in 2021 and again in July of 2022 for rates to take effect in 2024. You will receive notice of these future GRC proceedings.

# **Obtaining a Copy of the Application**

Non-confidential portions of the application and its attachments will be made available upon request to Jonathan Morse at jonathan.morse@amwater.com. The mailing address is: 4701 Beloit Drive, Sacramento, CA 95838. Phone: 916-568-4237.

Copies of the proposed application are also available to review at the CPUC's Central Files Office in San Francisco by appointment. For more information, please contact them at aljcentralfilesid@cpuc.ca.gov or 415-703-2045.

### The CPUC's Process

After considering all proposals and evidence that may be presented during the formal hearing process, the Judge will issue a proposed decision determining whether to adopt California American Water's request, modify it, or deny it. Any of the five CPUC Commissioners may sponsor an alternate decision. The proposed decision and any alternate decisions will be discussed and voted on at a scheduled CPUC Voting Meeting.

The Public Advocates Office (Cal PA) has reviewed this application. Cal PA is the independent consumer advocate within the CPUC with a legislative mandate to represent investor-owned utility customers to obtain the lowest possible rate for service consistent with reliable and safe service levels. ORA has a multi-disciplinary staff with expertise in economics, finance, accounting, and engineering. For more information about Cal PA, please call 415-703-1584, email publicadvocatesoffice@cpuc.ca.gov or visit the Cal PA's website at http://www.publicadvocates.cpuc.ca.gov/.

#### **Stay Informed**

If you would like to follow this proceeding, or any other issue before the CPUC, you may use the CPUC's free subscription service. Sign up at http://subscribecpuc.cpuc.ca.gov.

If you would like to learn how you can participate in the proceeding, provide informal comments, or have questions about the CPUC's processes, you may access the CPUC's Public Advisor's webpage at http://consumers.cpuc.ca.gov/pao/. You may also contact the Public Advisor as follows:

Email: public.advisor@cpuc.ca.gov

Write: Public Advisor's Office, 505 Van Ness Avenue, San Francisco, CA 94102

Call: Toll free 1-866-849-8390; TTY toll free 1-866-836-7825

Please reference California American Water's Bellflower Municipal Purchase Request Application No. A.18-09-013 in any communications you have with the CPUC regarding this matter. All public comments will become part of the public correspondence file for this proceeding and made available for review to the assigned Judge, the Commissioners, and appropriate CPUC staff.

<sup>&</sup>lt;sup>2</sup> Advice Letter 1020 approved the creation of a memorandum account to track costs associated with the establishment of a new water quality standard for chromium-6

